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First National Bank in Exeter

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September 19, 2005

FDIC -San Francisco Regional Office
Director John F. Carter
25 Jesse Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Dear Mr. Carter:

I am writing to comment on Wal-Mart's application for FDIC insurance for its industrial loan company (ILC) in Utah.

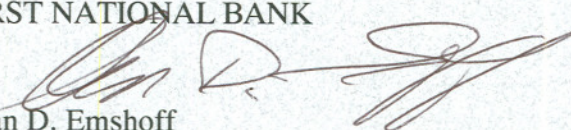
The banking industry including the small community bank in which I operate, has traditionally opposed the mixing of banking and commerce; hence, I am writing in opposition to the Wal-Mart application. Congress stated its opposition to the mixing of banking and commerce when it enacted the Gramm-Leach-Bliley Act. Please consider the following points as my reasoning for opposing Wal-Mart's application:

1. Congress stated its opposition to the mixing of banking and commerce when it enacted the Gramm-Leach-Bliley Act. Mixing banking and commerce represents bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest.
2. While the Wal-Mart ILC application in Utah does not seek broad "banking" powers, once a charter is granted, expanded powers, including nationwide branching, could be sought. The vast resources brought to the table by Wal-Mart would have an adverse impact on community banks, in much the same manner that Wal-Mart's presence has had on other retail establishments in or near the communities in which it has located.
3. A nationwide banking operation by Wal-Mart would pose a significant systemic risk. The potential size of a Wal-Mart banking operation would represent an ill-advised and unprecedented concentration of economic power.

I pray that you deny Wal-Mart's insurance application based on the reasons stated above.

Sincerely,

FIRST NATIONAL BANK


Alan D. Emshoff
President